

**SUMMARY OF THE SPECIAL MEETING OF THE
ARIZONA STATE RETIREMENT SYSTEM
INVESTMENT COMMITTEE**

**HELD ON
Monday, October 31, 2005
4:00 p.m., MST**

The Investment Committee (IC) of the Arizona State Retirement System (ASRS) met at 3300 N. Central Avenue, 14th Floor Conference Room, Phoenix, Arizona 85012. Mr. Lawrence Trachtenberg, Chairperson of the IC, called the meeting to order at 4:07 p.m., MST.

The meeting was teleconferenced to the ASRS Tucson office, 7660 East Broadway Boulevard, Suite 108, Tucson, Arizona 85710.

1. Call to Order; Roll Call; Opening Remarks

Present: Mr. Lawrence Trachtenberg, Chairperson (via teleconference)
 Ms. Anne Mariucci, Vice Chairperson (via teleconference)
 Mr. Christopher Harris (via teleconference)

Excused: Mr. Karl Polen

A quorum was present for the purpose of conducting business.

2. Presentation, Discussion, and Appropriate Action Regarding Mid-Cap Growth Investment Management Search

Mr. Gary R. Dokes, Chief Investment Officer, gave a brief recount of the October 4, 2005 Investment Committee (IC) meeting in which the Committee recommended to the ASRS Board the hiring of Geneva Capital Management and NorthPointe Capital as Mid-Cap growth managers to replace Forstmann-Leff and Frontier Capital Management. The recommendation was contingent upon a successful on-site due diligence visit conducted by the ASRS Investment Management Division (IMD).

Mr. Dokes stated that he and Mr. Daniel Kapanak, IMD Senior Portfolio Analyst, visited both firms. He said the meeting with NorthPointe was very positive and supported the recommendation to hire that firm. However, the meeting with Geneva raised significant concerns regarding their being hired by the ASRS. The concerns included:

- Limited internal research/capabilities and an over-reliance on sell-side research for investment idea generation.
- Suboptimal trading infrastructure.
- Organization structure.
- Performance Attribution.

The IC members questioned the role of the ASRS consultant in performing due diligence of Geneva, specifically asking why there were no site visits by the consultant prior to the recommendation.

Motion: Mr. Christopher Harris moved the IC recommend to the ASRS Board select and fund NorthPointe Capital (\$140 million) as an ASRS U.S. Equity Mid-Cap Growth Manager;

and

Transfer approximately \$140 million (\$110 million from E3 and \$30 million from E4) to NorthPointe;

and

Rebalance the value/growth style allocation within the mid-cap asset class so as to have approximately equal market value style weighting.

The motion was seconded by Ms. Anne Mariucci.

By a vote of 3 in favor, 0 opposed, 0 abstentions and 1 absent, the motion was passed.

3. Call to the Public

None.

The meeting adjourned at 4:17 PM.

Respectfully submitted,

Zach Kucera, Secretary

Date

Gary Dokes, Chief Investment Officer Date